

Testimony to the Select Committee
on Public School Finance
Weights, Allotments & Adjustments

Wayne Pierce, EdD
Executive Director
Equity Center
October 13, 2010

Key Provisions HB 1555/SB 982

- Austin ISD wealth level
 - For Tier 1 at \$1.00 Local Fund Assignment
 - Multiple-year phase-up to Austin level
 - No change for Tier 2 was included
- Revenue gain capped
 - At \$200 per WADA per year
 - After first year
- Any gain over \$200 was used to lower the district's M&O tax rate

Using Austin ISD's Wealth Level to Achieve and Maintain an Efficient System

Austin Wealth Level, Increasing over several years



Basic Allotment increases with Austin ISD



Keeping Pace with the Increase of Austin ISD's Wealth Level

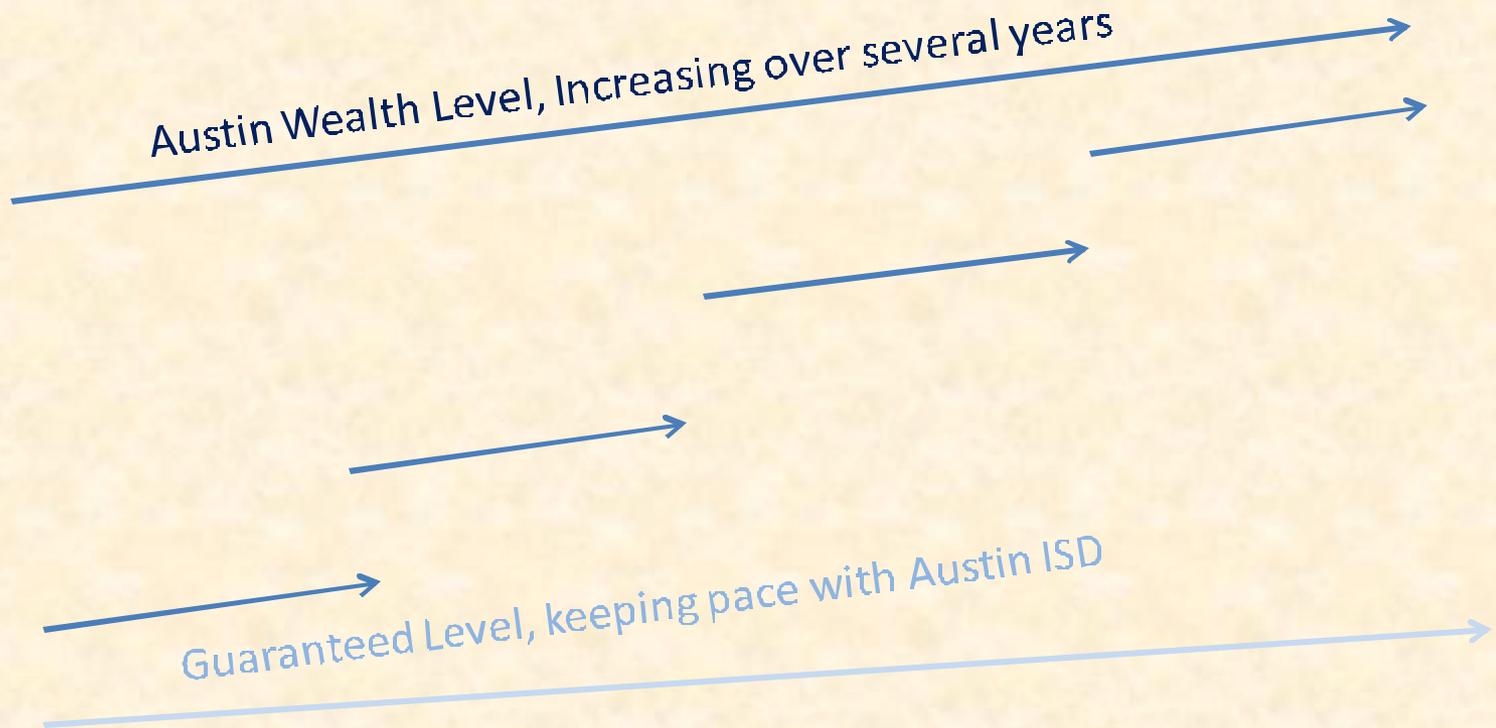
Austin Wealth Level, Increasing over several years



Basic Allotment increasing with Austin ISD



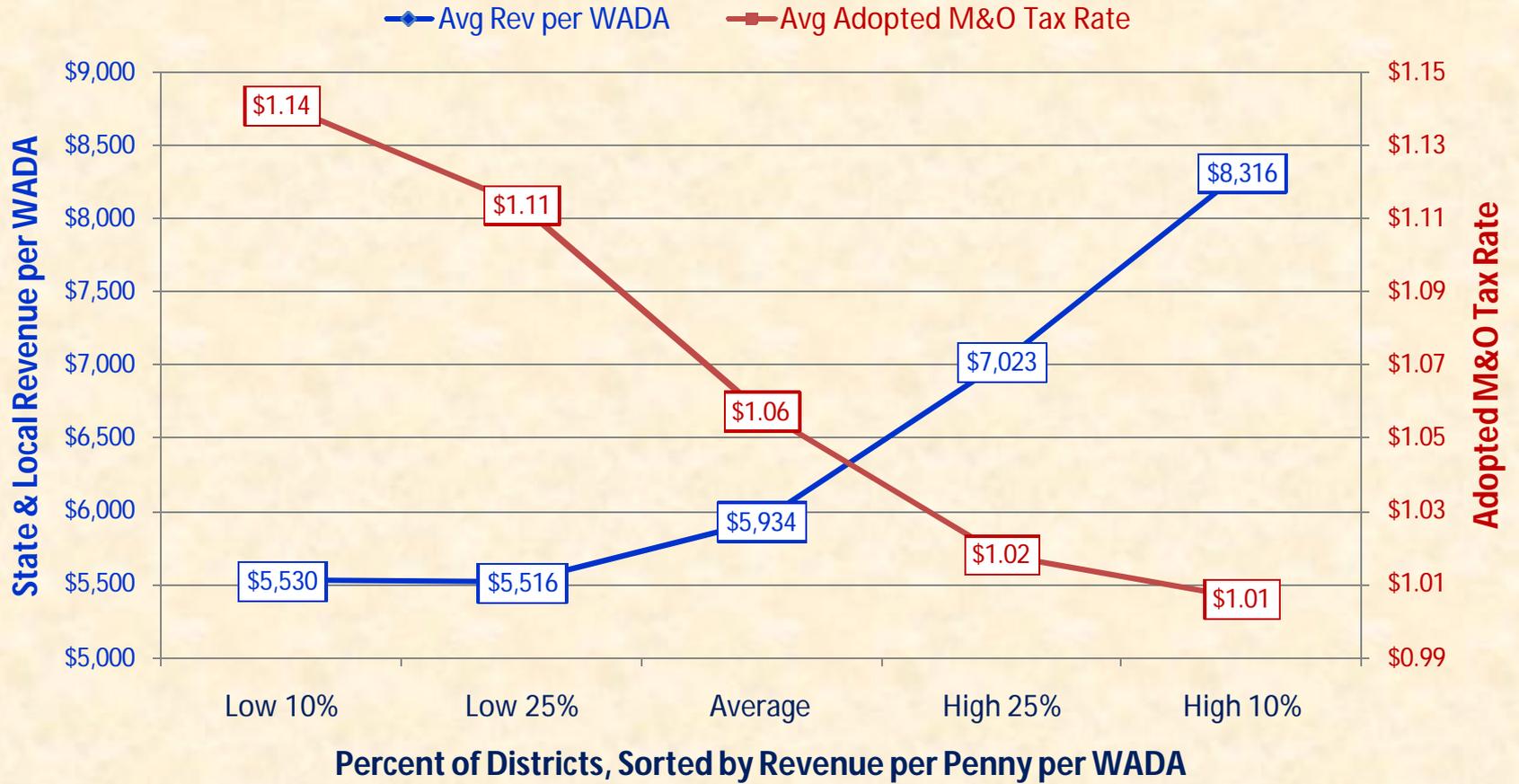
Phasing up to Austin ISD's Wealth Level



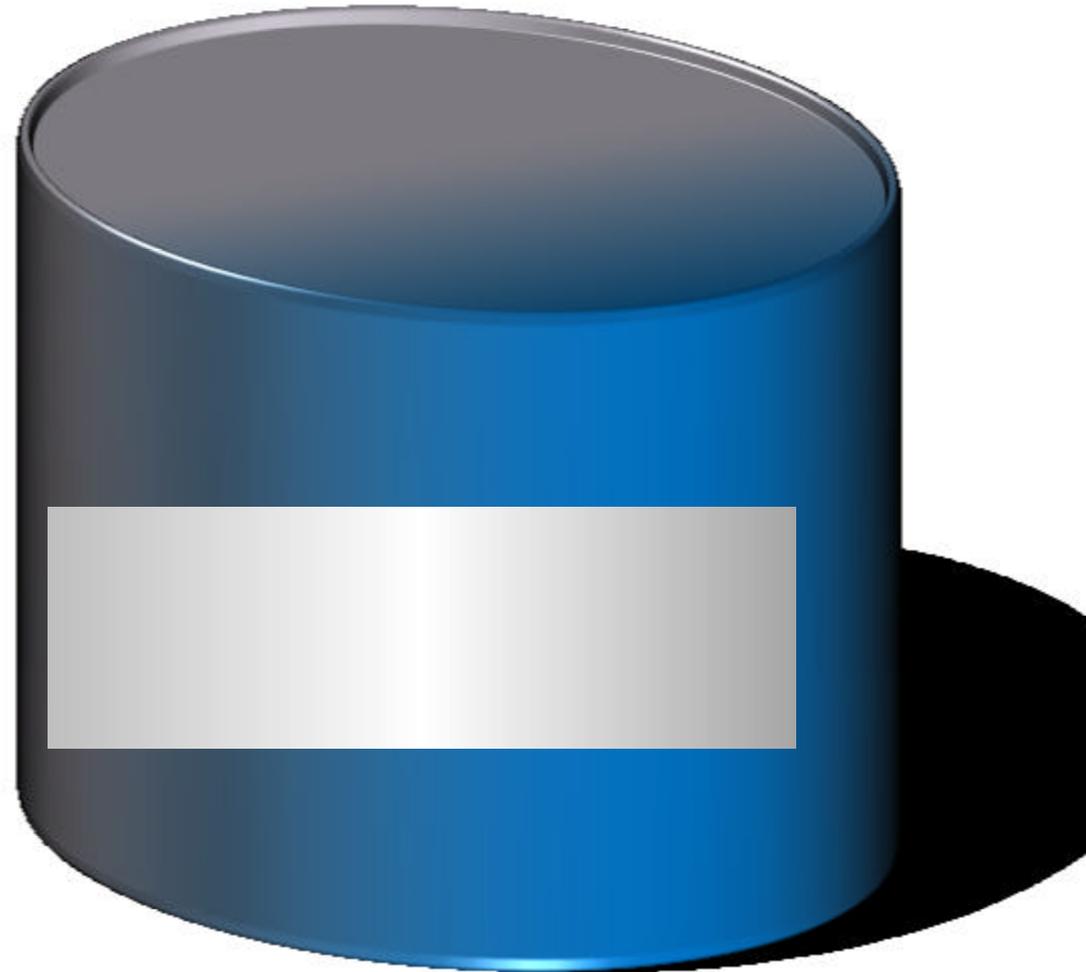
Problem Areas

- Legislative concern that a basic allotment driver would not be sustainable
- Legislative concern that it would cost too much to bring everyone up to Austin ISD level
- Concern among lower funded school districts that that the additional revenue provided to highly-funded districts would significantly reduce any chance they had of getting to the Austin ISD funding level
- Concern among highly-funded districts that the new money they would receive was not enough.

Average Tax Rates and Revenue per WADA for Various Percentages of Districts 2009-10 (After Recapture)



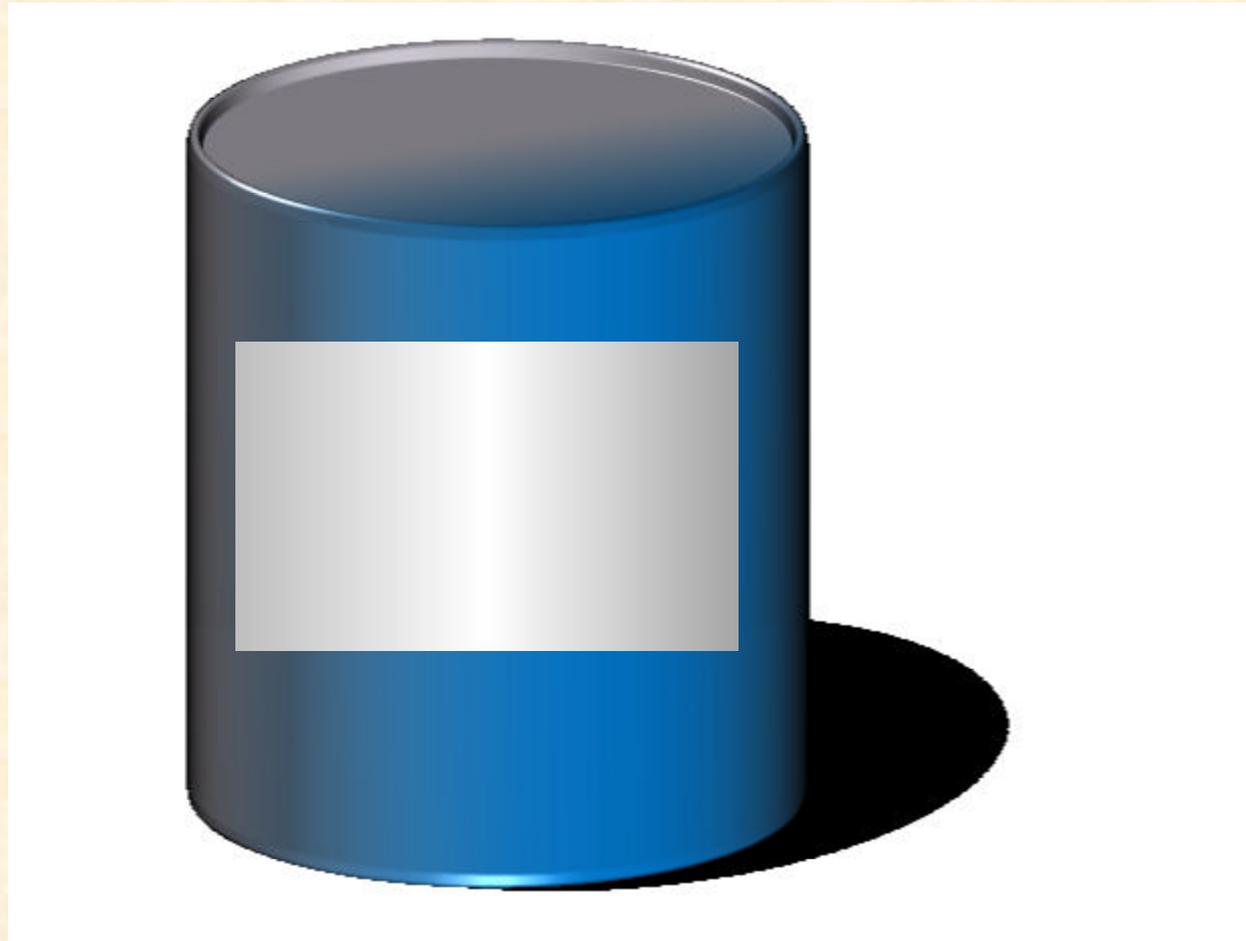
Inequitable Equilibrium



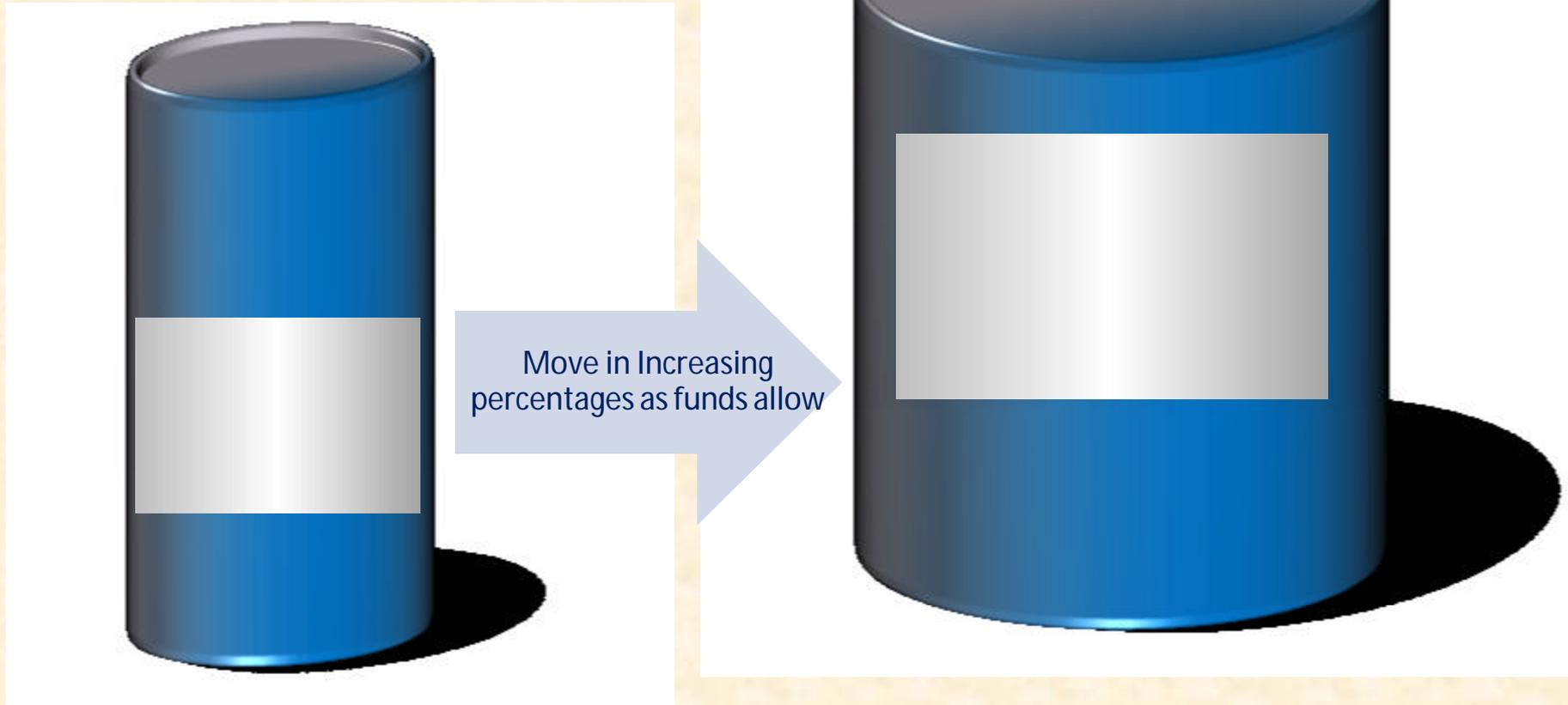
A process to a more effective, efficient funding system

- Essential: *At a minimum, increase funding for lower-funded districts to offset inflation, increased accountability standards and community expectations.*
- Otherwise limit changes to the current system

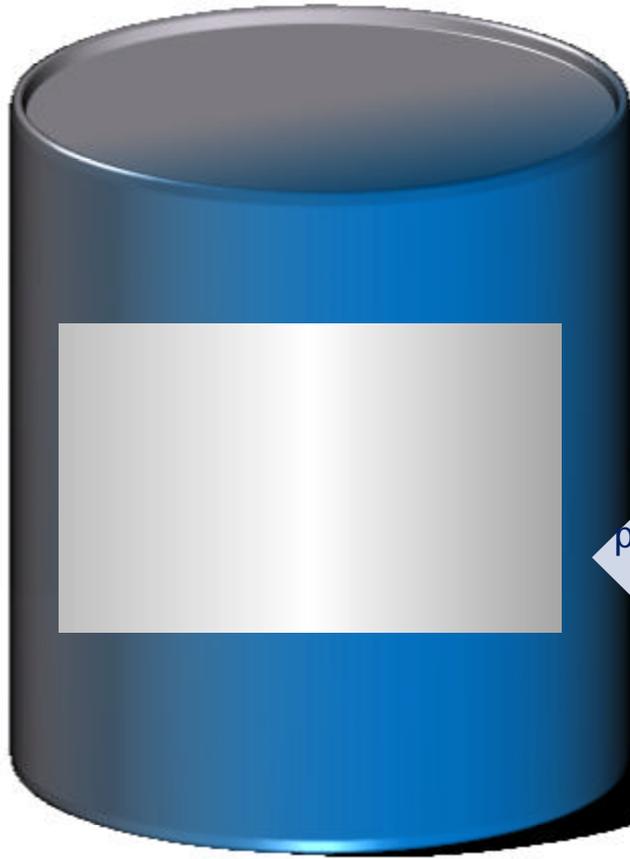
Establish a Cost-Based Formula System
that will apply to all districts



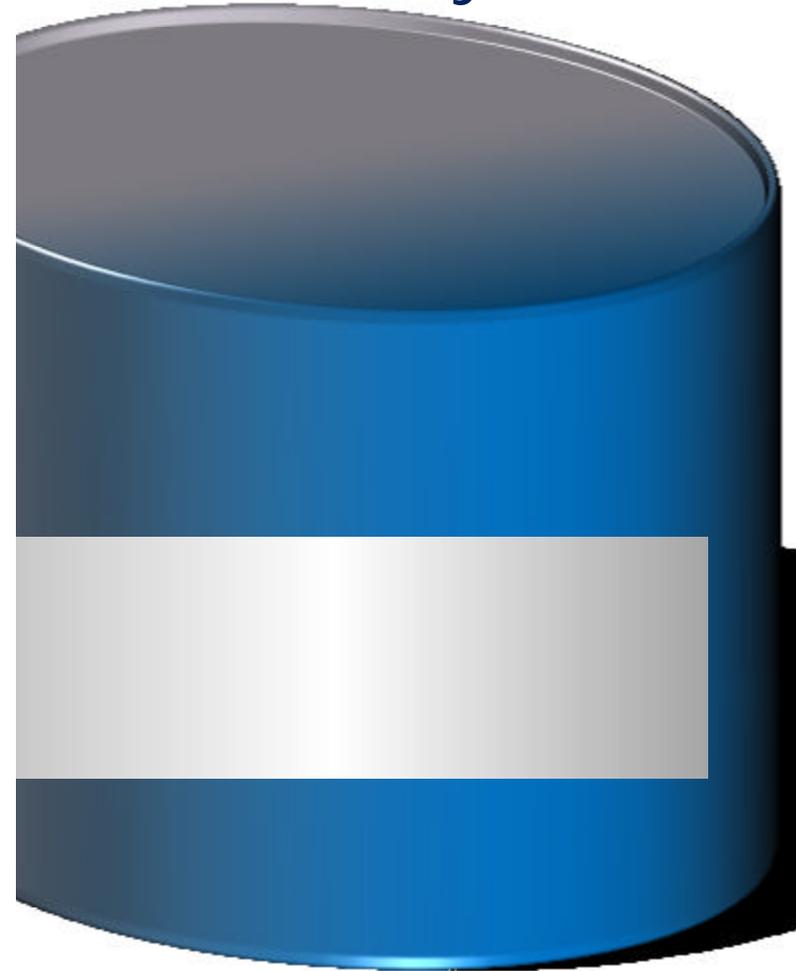
As a funding *priority*, calculate each district's revenue as a decreasing percent of current funding and increasing percent of new system.



Calculate each district's revenue as a *pre-determined*, decreasing percent of current system and increasing percent of new system.



Move in Increasing percentages with saved revenue used to fund new system



Average Tax Rates and Revenue per WADA for Various Percentages of Districts 2009-10 (After Recapture)

